

**AMENDMENT 1 TO
AMENDED DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	THE VILLAS AT KEHALANI – PHASE II (Report covers Phase II consisting of 77 of 103 units)
PROJECT ADDRESS:	Located directly next to Kehalani Parkway Wailuku, Maui, Hawaii 96793
REGISTRATION NUMBER:	6712
EFFECTIVE DATE OF REPORT:	April 28, 2010
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input checked="" type="checkbox"/> Amended Report dated <u>November 4, 2009</u> <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and must be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	Kehalani 511 – Maui, LLC

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developers Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

The Public Report for Phase II, issued on November 10, 2008, covered 94 units of 103 units in the entire Project. The Amended Public Report for Phase II of the Project, issued on November 4, 2009, covered a total of 84 units (releasing 10 units to Phase I) out of the 103 units in the Project. This Amendment 1 covers a total of 77 units (releasing 7 units to Phase I) out of the 103 units in the Project.

The following 77 units are now covered in Phase II: 401, 402, 501, 502, 503, 504, 601, 602, 603, 604, 1001, 1002, 1003, 1004, 1101, 1102, 1103, 1104, 1201, 1202, 1203, 1501, 1502, 1503, 1504, 1601, 1602, 1603, 1701, 1702, 1703, 1704, 1801, 1802, 1803, 1901, 1902, 1903, 2001, 2002, 2003, 2004, 2101, 2102, 2103, 2104, 2201, 2202, 2203, 2204, 2301, 2302, 2303, 2401, 2402, 2403, 2501, 2502, 2503, 2601, 2602, 2603, 2604, 2701, 2702, 2703, 2801, 2802, 2803, 2804, 2901, 2902, 2903, 2904, 3001, 3002 and 3003

The following changes were made to the report to reflect the above:

- | | |
|-------------|--|
| 1.2. | Number of buildings in the Project changed from 24 to 22. |
| 1.3 & 1.13 | Number of units in the Project changed from 84 to 77. |
| 1.3. | Each unit has 2 parking stalls. As such, the number of parking stalls changed from 168 to 154 based on the 77 total units. |
| Exhibit "A" | 1301-1303 and 1401-1404 were released (unshaded) to Phase I. |
| 1.12 | Updated title report dated April 6, 2010. |

Note: The Phase I Public Report covers the remaining 26 units in the Project, which is being reflected in an Amendment 1 to Second Amended Public Report for Phase I concurrently filed herewith. As previously disclosed, the Developer intends to continue to move units covered under the Phase II Public Report to the Phase I Public Report as they are completed and to eventually terminate the Phase II Public Report once all 103 units in the Project are covered under the Phase I Public Report.

Changes continued:

A large, empty rectangular box with a thin black border, occupying the central portion of the page. It is intended for users to list any changes to the document.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

The Developer declares subject to the penalties set forth in Section 5148-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 5148-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

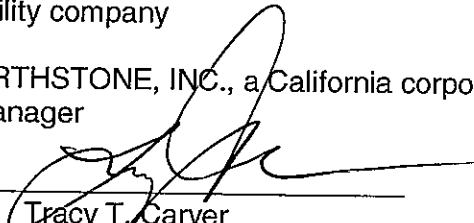
The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

DEVELOPER:

DATE: April 14, 2010

KEHALANI 511 – MAUI, LLC,
a Hawaii limited liability company

By: HEARTHSTONE, INC., a California corporation,
its Manager

By: 
Tracy T. Carver
Executive Vice President and
General Counsel

Distribution:

Department of Finance, County of Maui

Planning Department, County of Maui

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

1.4 Parking Stalls

Total Parking Stalls in the Project:	Phase II: 154; Total Project: 206*
Number of Guest Stalls in the Project:	20 **
Number of Parking Stalls Assigned to Each Unit:	two-car garage and driveway parking
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
Upon completion of each phase, there will be enough parking stalls to accommodate all Owners in the phase.	

*The 154 stalls for Phase II and 206 stalls overall include the 2 stalls located within each Unit's two-car garage. In addition, each owner can park in such owner's respective limited common element driveways.

** The guest stalls are located street-side throughout the Project.

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit "B".
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1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): See Exhibit "C".
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1.7 Common Interest

Common Interest: Each unit will have appurtenant to it a percentage interest in the common elements of the project. This interest is called the "common interest." It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit "A".
As follows:

1.8 Recreational and Other Common Facilities (Check if applicable): *

	Swimming pool
	Laundry Area
	Storage Area
	Tennis Court
	Recreation Area
	Trash Chute/Enclosure(s)
	Exercise Room
	Security Gate
	Playground
X	Other (describe): group mailbox structure

*The Developer currently intends to concurrently construct the common element areas throughout the construction of each phase. As such, Owners should be aware that all of the common areas may not be completed and available for owner's use until after Owner closes and for a period of time thereafter.

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of units in the project. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit "D"

Described as follows:

Common Element	Number
Elevators	0
Stairways	(only those located within each two-story unit)
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit "E"

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: As described in the House Rules
<input checked="" type="checkbox"/>	Number of Occupants: As described in the House Rules
	Other:
	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit "F" describes the encumbrances against title contained in the title report described below.

Date of the title report: April 6, 2010

Company that issued the title report: Island Title Corporation

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
x	Residential	Phase II: 77 Total Project: 103	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	PD-WK/3
	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
	Other (specify)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code.				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
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EXHIBIT "A"**UNIT NUMBERS, UNIT TYPES, LAYOUT, APPROXIMATE NET GARAGE AREA, APPROXIMATE
NET COVERED LANAI/PORCH AREA, APPROXIMATE NET INTERIOR AREA, PERCENT
COMMON INTEREST**

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

FOR ALL 103 UNITS OF THE PROJECT

NOTE: ONLY THE UNITS SHADED BELOW ARE COVERED BY THIS REPORT UNDER REGISTRATION NO. 6712

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approx. Net Garage Square Footage	Approx. Net Covered Lanai/Porch Square Footages	Approx. Net Interior Square Footage	Percent Common Interests
101	1	3/2.5	450	177/42	1724	1.007216
102	2	2/2.5	450	135/29	1446	0.878437
103	2R	2/2.5	450	135/29	1446	0.878437
104	1R	3/2.5	450	177/42	1724	1.007237
201	3	3/2.5	450	173/35	1853	1.067004
202	3R	3/2.5	450	173/35	1853	1.067004
203	2	2/2.5	450	135/34	1446	0.878437
301	3	3/2.5	450	173/35	1853	1.067004
302	3R	3/2.5	450	173/35	1853	1.067004
401	3	3/2.5	450	173/35	1853	1.067004
402	3R	3/2.5	450	173/35	1853	1.067004
501	1	3/2.5	450	177/42	1724	1.007237
502	2	2/2.5	450	135/29	1446	0.878437
503	2R	2/2.5	450	135/29	1446	0.878437
504	1R	3/2.5	450	177/42	1724	1.007237
601	1	3/2.5	450	177/42	1724	1.007237
602	2	2/2.5	450	135/29	1446	0.878437
603	2R	2/2.5	450	135/29	1446	0.878437
604	1R	3/2.5	450	177/42	1724	1.007237
701	2R	2/2.5	450	135/34	1446	0.878437
702	3	3/2.5	450	170/35	1853	1.067004
703	3R	3/2.5	450	173/35	1853	1.067004
801	3	3/2.5	450	173/35	1853	1.067004
802	3R	3/2.5	450	170/35	1853	1.067004
803	2	2/2.5	450	135/34	1446	0.878437
901	1	3/2.5	450	177/42	1724	1.007237
902	2	2/2.5	450	135/29	1446	0.878437
903	2R	2/2.5	450	135/29	1446	0.878437
904	1R	3/2.5	450	177/42	1724	1.007237
1001	1	3/2.5	450	177/42	1724	1.007237
1002	2	2/2.5	450	135/29	1446	0.878437
1003	2R	2/2.5	450	135/29	1446	0.878437
1004	1R	3/2.5	450	177/42	1724	1.007237
1101	1	3/2.5	450	177/42	1724	1.007237
1102	2	2/2.5	450	135/29	1446	0.878437
1103	2R	2/2.5	450	135/29	1446	0.878437

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approx. Net Garage Square Footage	Approx. Net Covered Lanai/Porch Square Footages	Approx. Net Interior Square Footage	Percent Common Interests
1104	1R	3/2.5	450	177/42	1724	1.007237
1201	3	3/2.5	450	173/35	1853	1.067004
1202	3R	3/2.5	450	170/35	1853	1.067004
1203	2	2/2.5	450	135/34	1446	0.878437
1301	2R	2/2.5	450	135/34	1446	0.878437
1302	3	3/2.5	450	170/35	1853	1.067004
1303	3R	3/2.5	450	173/35	1853	1.067004
1401	1	3/2.5	450	177/42	1724	1.007237
1402	2	2/2.5	450	135/29	1446	0.878437
1403	2R	2/2.5	450	135/29	1446	0.878437
1404	1R	3/2.5	450	177/42	1724	1.007237
1501	1	3/2.5	450	177/42	1724	1.007237
1502	2	2/2.5	450	135/29	1446	0.878437
1503	2R	2/2.5	450	135/29	1446	0.878437
1504	1R	3/2.5	450	177/42	1724	1.007237
1601	3	3/2.5	450	173/35	1853	1.067004
1602	3R	3/2.5	450	170/35	1853	1.067004
1603	2	2/2.5	450	135/34	1446	0.878437
1701	1	3/2.5	450	177/42	1724	1.007237
1702	2	2/2.5	450	135/29	1446	0.878437
1703	2R	2/2.5	450	135/29	1446	0.878437
1704	1R	3/2.5	450	177/42	1724	1.007237
1801	3	3/2.5	450	173/35	1853	1.067004
1802	3R	3/2.5	450	170/35	1853	1.067004
1803	2	2/2.5	450	135/34	1446	0.878437
1901	2R	2/2.5	450	135/34	1446	0.878437
1902	3	3/2.5	450	170/35	1853	1.067004
1903	3R	3/2.5	450	173/35	1853	1.067004
2001	1	3/2.5	450	177/42	1724	1.007237
2002	2	2/2.5	450	135/29	1446	0.878437
2003	2R	2/2.5	450	135/29	1446	0.878437
2004	1R	3/2.5	450	177/42	1724	1.007237
2101	1	3/2.5	450	177/42	1724	1.007237
2102	2	2/2.5	450	135/29	1446	0.878437
2103	2R	2/2.5	450	135/29	1446	0.878437
2104	1R	3/2.5	450	177/42	1724	1.007237
2201	1	3/2.5	450	177/42	1724	1.007237
2202	2	2/2.5	450	135/29	1446	0.878437
2203	2R	2/2.5	450	135/29	1446	0.878437
2204	1R	3/2.5	450	177/42	1724	1.007237
2301	2R	2/2.5	450	135/34	1446	0.878437
2302	3	3/2.5	450	170/35	1853	1.067004
2303	3R	3/2.5	450	173/35	1853	1.067004
2401	3	3/2.5	450	173/35	1853	1.067004
2402	3R	3/2.5	450	170/35	1853	1.067004
2403	2	2/2.5	450	135/34	1446	0.878437
2501	2R	2/2.5	450	135/34	1446	0.878437
2502	3	3/2.5	450	170/35	1853	1.067004

Unit Number	Unit Type	Bedrooms/ Bathrooms	Approx. Net Garage Square Footage	Approx. Net Covered Lanai/Porch Square Footages	Approx. Net Interior Square Footage	Percent Common Interests
2503	3R	3/2.5	450	173/35	1853	1.067004
2601	1	3/2.5	450	177/42	1724	1.007237
2602	2	2/2.5	450	135/29	1446	0.878437
2603	2R	2/2.5	450	135/29	1446	0.878437
2604	1R	3/2.5	450	177/42	1724	1.007237
2701	2R	2/2.5	450	135/34	1446	0.878437
2702	3	3/2.5	450	170/35	1853	1.067004
2703	3R	3/2.5	450	173/35	1853	1.067004
2801	1	3/2.5	450	177/42	1724	1.007237
2802	2	2/2.5	450	135/29	1446	0.878437
2803	2R	2/2.5	450	135/29	1446	0.878437
2804	1R	3/2.5	450	177/42	1724	1.007237
2901	1	3/2.5	450	177/42	1724	1.007237
2902	2	2/2.5	450	135/29	1446	0.878437
2903	2R	2/2.5	450	135/29	1446	0.878437
2904	1R	3/2.5	450	177/42	1724	1.007237
3001	3	3/2.5	450	173/35	1853	1.067004
3002	3R	3/2.5	450	170/35	1853	1.067004
3003	2	2/2.5	450	135/34	1446	0.878437
						100.000000

A. Location of Buildings.

The entire Project consists of thirty (30) buildings. Each building contains two (2) to four (4) Units, as depicted in the Condominium Map.

B. Layout of Units.

All units of the Project include a Kitchen/Living Room/Dining/Family Room, the number of bedrooms and bathrooms indicated in the table above and a two-car garage, all as depicted on the Condominium Map. Unit Types 3 and 3R also have a Study. Each Unit consists of two (2) floors. Each Unit also has a Limited Common Element lanai and porch.

Unit Types 1 and 1R have an optional Buffet on the Ground Floor, as depicted on the Condominium Map. Unit Types 3 and 3R have an optional Bedroom 4 on the second floor, as depicted on the Condominium Map. The Developer, prior to conveyance of the Unit, or after conveyance of the Unit, the Owner, may construct such Option Area(s), as defined in this Declaration. The addition of any Option Area(s), however, shall not affect the calculation of the Common Interest set forth herein.

C. Measurement of Approximate Net Living Square Footage.

The Approximate Net Living Square Footage of each Unit was determined by measuring the area between the interior perimeter walls of each Unit (excluding load-bearing and non-load bearing walls located between said perimeter walls) and consists of the total of the Approximate Net Garage Square Footage and the Approximate Net Interior Square Footage as defined in the Declaration. Although the area of the non-load bearing walls are not contained in the Approximate Net Living Square Footage, the Unit is comprised of the non-load bearing walls contained therein.

D. Calculation of Percentage of Common Interest.

The percentage Common Interest attributable to each Unit in the Project was calculated by dividing the Approximate Net Living Square Footage of each individual Unit by the total Approximate Net Living Square Footage of all Units within the Project.

Note that the Common Interest percentages reflected in the chart above have been rounded to the sixth decimal place. Thus, the calculations herein are estimates and not exact figures. In order to permit the Common Interest for all units in the Project to equal exactly one hundred percent (100%), the Common Interest attributable to Unit 101 was decreased by 0.000021%.

E. Parking Stalls.

Each Unit will have the use of a two-car garage, which is a part of their Unit, as well as the Limited Common Element driveway located in front of such garage parking, as further depicted on the Condominium Map.